DATE 3/3/09 HB_161

HB 161 FACT SHEET BLACKFEET – MONTANA WATER RIGHTS COMPACT

BACKGROUND

• The Montana legislature established the Montana Reserved Water Rights Compact Commission as part of the statewide water adjudication to negotiate water rights "compacts for the equitable division and apportionment of waters between the state and its people and the several Indian tribes claiming reserved water rights within the state." MCA 85-2-701 and 702. Once approved by the State Legislature, the Tribe, and Congress, the water compacts are made part of the water court decrees in the affected basins.

• The Blackfeet Tribe's negotiating team and the Compact Commission have agreed to a water rights settlement (the "Compact"). Under Montana Statute 85-2-702, the Compact must come to the Legislature for approval. Federal law requires that the Compact also be ratified by Congress. HB 161 seeks the Legislature's approval of The Blackfeet-Montana Compact while appropriating a portion of the State's cost-share for the settlement.

COMPACT BASICS

In general the Compact:

- Provides water for the existing and future needs of the Blackfeet Tribe.
- Protects all current holders of non-irrigation water rights, such as domestic and stock water uses, from the Tribe's future exercise of its water right.
- Provides protection for all current irrigation and non-irrigation uses in Birch Creek and the Badger Creek and Two Medicine River basins and a grace period before Tribal development in Cut Bank Creek and Milk River drainages.
- Provides a process for the Tribe to lease a portion of its water right to off-reservation water users.
- Settles Tribal claims in the St. Mary River basin by providing the Tribe with an allocation of 50,000 acre-feet of water with protections for the Milk River Project downstream.
- Closes on-reservation portions of streams to new water appropriations under state law.
- Provides for Tribal administration of the Tribal Water Right, and State administration of water rights arising under state law.
- Creates a Compact Board with an administrative process for the resolution of any future disputes between Tribal and non-Tribal water users.
- Provides for an allocation of water stored in Tiber Reservoir (in an amount to be determined by Congress) for the Tribe to use or market.
- Mitigates the impacts of the Tribe's water rights on Birch Creek water users through a separate Birch Creek Agreement that commits the State to pay the Tribe \$14.5 million in exchange for the Tribe deferring new development of its Birch Creek water rights for 15 years and providing 15,000 acre-feet of water per year to Birch Creek water users from on-reservation storage for at least 10 more years, the total deferral and provision of water not to exceed 25 years.

BLACKFEET TRIBAL WATER RIGHT

BIRCH CREEK

- 100 cfs from the natural flow of Birch Creek for irrigation use in the Upper Birch Creek Drainage.
- Instream flow of 25 cfs from April 1 to Sept. 1 and 15 cfs from Oct. 1 to March 31.
- Any additional water remaining after satisfaction of existing rights arising under State law
- A management plan is attached as an Appendix to the Compact, which provides for coordinated management of Birch Creek Tribal and non-Tribal water use.

BADGER CREEK/TWO MEDICINE RIVER

- The Tribe has a water right to all currently unappropriated surface water and groundwater. Current non-Tribal water uses are not subject to a call from new Tribal development.
- Instream flow of 20 cfs in both Badger Creek and Two Medicine River.
- Blackfeet Irrigation Project will be supplied water from the Tribal water right and will be administered by the Bureau of Indian Affairs (or as otherwise provided by Congress).

CUT BANK CREEK AND MILK RIVER

- The Tribe has a water right to all currently unappropriated surface water and groundwater. Current non-Tribal non-irrigation water uses are not subject to a call from any new Tribal development.
- Irrigation uses on Cut Bank Creek and the Milk River are subject to a call from Tribal water uses. The Tribe will not develop new irrigation uses on Cut Bank Creek or the Milk River, except projects using exclusively stored or imported water, for 10 years from the effective date of the Compact.
- Instream flow of 2 cfs in the on-reservation portions of both Cut Bank Creek and the Milk River.

ST. MARY RIVER

- 50,000 acre-feet from the United States' share of the St. Mary River.,
- The Tribe also has a right to all unappropriated water from the U.S. share of Lee Creek, Willow Creek and groundwater in the St. Mary River drainage on the Reservation and any additional water remaining after satisfaction of existing rights arising under State law.
- Current non-Tribal water uses within the Basin are not subject to a call from new Tribal development.

CONTRIBUTIONS TO SETTLEMENT

The Montana legislature appropriated \$15 million for mitigation during the 2007 regular session. Of these funds, \$14.5 million will eventually be paid to the Tribe as part of the Birch Creek Agreement negotiated between the State and the Tribe in 2007. \$500,000 was appropriated to the DNRC for engineering studies for the Four Horns Project.

- HB 161 appropriates \$4 million toward the State's \$20 million cost share commitment to the repair and enlargement of the Four Horns Reservoir system.
- Federal cost share will be determined during Congressional ratification of the settlement.

Prepared by the Montana Reserved Water Rights Compact Commission January 22, 2009